



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
LESLIE COUNTY
SHERIFF'S SETTLEMENT - 1997 TAXES AND 1997 UNMINED COAL TAXES**

July 27, 1999

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

LESLIE COUNTY JAMES F. DAVIDSON, SHERIFF 1997 TAX AUDIT

The 1997 tax audit is the first audit conducted for James F. Davidson, who took office in January 1999.

The exit conference consisted of sixteen comments and recommendations. The following is a breakdown of our exit conference comments:

- Comment Number 1 relates to adequate pledge of securities.
- Comment Numbers 2, 3, 4, 6, 8, 10, 11, and 12 deal with appropriate accounting procedures for tax collection transactions.
- Comment Numbers 5, 7, and 9 address non-compliance issues.
- Comment Number 14 relates to the sheriff's internal control structure.
- Comment Numbers 15 and 16 relate to former Sheriff Ford Bowling's unresolved deficit issues.

Even though there are fourteen comments that relate to Sheriff James F. Davidson, the auditor concluded that only one comment warranted inclusion in the audit report since this is his first audit. If the sheriff does not implement procedures to correct the remaining recommendations, the auditor will comment in subsequent audit reports.

Comments and recommendations that relate to former Sheriff Ford Bowling's unresolved deficit issues are included in Sheriff James F. Davidson's audit report. No other audit reports will be issued for former Sheriff Bowling, therefore, this information is included as an appendix to the audit report to bring the unresolved deficit issue to the attention of the fiscal court and public. Sheriff Davidson was made aware of this during the exit conference.

During the audit, auditors discussed appropriate accounting procedures with both Sheriff Davidson and his bookkeeper. Time spent with this issue should reduce future audit bills and the sheriff will be able to account for public funds in a more efficient and effective manner.

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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Onzie Sizemore, Leslie County Judge/Executive

Honorable James F. Davidson, Leslie County Sheriff

Members of the Leslie County Fiscal Court

Independent Auditor's Report

We have audited the Leslie County Sheriff's Settlement - 1997 Taxes and 1997 Unmined Coal Taxes as of July 27, 1999. This tax settlement is the responsibility of the Leslie County Sheriff. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Sheriff's Tax Settlements issued by the Auditor of Public Accounts, Commonwealth of Kentucky. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Sheriff prepares his financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the Leslie County Sheriff's taxes charged, credited, and paid as of July 27, 1999, in conformity with the basis of accounting described in the preceding paragraph.

Based on the results of our audit, we have presented the accompanying comment and recommendation, included herein, which discusses the following area of noncompliance:

- The Sheriff Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral And Enter Into A Written Agreement To Protect Deposits

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Onzie Sizemore, Leslie County Judge/Executive
Honorable James F. Davidson, Leslie County Sheriff
Members of the Leslie County Fiscal Court

In accordance with Government Auditing Standards, we have also issued a report dated May 30, 2000, on our consideration of the Sheriff's compliance with certain laws and regulations and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
May 30, 2000

LESLIE COUNTY
JAMES F. DAVIDSON, SHERIFF
SHERIFF'S SETTLEMENT - 1997 TAXES AND 1997 UNMINED COAL TAXES

July 27, 1999

<u>Charges</u>	<u>County Taxes</u>	<u>Special Taxing Districts</u>	<u>School Taxes</u>	<u>State Taxes</u>
Real Estate	\$ 296,407	\$ 307,035	\$ 689,914	\$ 267,448
Tangible Personal Property	76,011	95,061	190,027	243,245
Intangible Personal Property				25,202
1997 Unmined Coal	105,381	106,290	245,284	95,086
Fire Protection	5,320			
Franchise Corporation	54,333	64,398	133,230	
Additional Billings	273	277	637	252
Additional Billings-Unmined Coal	21	21	49	19
Increased Through Erroneous Assessments	86	86	199	77
Penalties	4,111	4,270	9,540	4,012
Adjusted to Sheriff's Receipt	(371)	(227)	(554)	(222)
Gross Chargeable to Sheriff	\$ 541,572	\$ 577,211	\$ 1,268,326	\$ 635,119
<u>Credits</u>				
Discounts	\$ 6,551	\$ 6,937	\$ 15,314	\$ 9,351
Exonerations	6,307	6,379	14,681	5,691
Delinquents:				
Real Estate	33,990	34,409	78,185	30,309
Tangible Personal Property	60	75	151	168
Intangible Personal Property				78
Uncollected Franchise Corporation	67	84	167	
Delinquent Additional	46	50	111	47
Total Credits	\$ 47,021	\$ 47,934	\$ 108,609	\$ 45,644
Net Tax Yield	\$ 494,551	\$ 529,277	\$ 1,159,717	\$ 589,475
Less: Commissions *	21,306	22,494	46,389	25,340
Net Taxes Due	\$ 473,245	\$ 506,783	\$ 1,113,328	\$ 564,135
Taxes Paid	473,600	506,369	1,112,356	563,864
Late Penalty				105
Refunds (Current and Prior Year)	469	478	1,095	532
Refunds Due Sheriff		**		
as of Completion of Fieldwork	\$ (824)	\$ (64)	\$ (123)	\$ (156)

* and ** See Page 4

LESLIE COUNTY
 JAMES F. DAVIDSON, SHERIFF
 SHERIFF'S SETTLEMENT - 1997 TAXES AND 1997 UNMINED COAL TAXES
 July 27, 1999
 (Continued)

* Commissions:

10% on	\$	10,000
4.25% on	\$	1,603,303
4% on	\$	1,159,717

** Special Taxing Districts:

Library District	\$	(28)
Health District		(13)
Extension District		<u>(23)</u>
Refunds Due Sheriff	\$	<u><u>(64)</u></u>

The accompanying notes are an integral part of the financial statements.

LESLIE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

July 27, 1999

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

The Sheriff's office tax collection duties are limited to acting as an agent for assessed property owners and taxing districts. A fund is used to account for the collection and distribution of taxes. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

B. Basis of Accounting

The financial statement has been prepared on a cash basis of accounting. Basis of accounting refers to when charges, credits, and taxes paid are reported in the settlement statement. It relates to the timing of measurements regardless of the measurement focus.

Charges are sources of revenue which are recognized in the tax period in which they become available and measurable. Credits are reductions of revenue which are recognized when there is proper authorization. Taxes paid are uses of revenue which are recognized when distributions are made to the taxing districts and others.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. However, as of March 5, 1999, the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$1,773,224 of public funds uninsured and unsecured. In addition, the Sheriff did not have a written agreement with the depository institution securing the Sheriff's interest in the collateral.

LESLIE COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 July 27, 1999
 (Continued)

Note 2. Deposits (Continued)

The county official's deposits are categorized below to give an indication of the level of risk assumed by the county official as of March 5, 1999.

	<u>Bank Balance</u>
Collateralized with securities held by pledging depository institution in the county official's name	\$ 200,000
Uncollateralized and uninsured	<u>1,773,224</u>
Total	<u><u>\$ 1,973,224</u></u>

Note 3. Property Taxes

The real and personal property tax assessments were levied as of January 1, 1997. Property taxes were billed to finance governmental services for the year ended June 30, 1998. Liens are effective when the tax bills become delinquent. The collection period for these assessments was January 28, 1999 through July 27, 1999.

1997 Unmined Coal Taxes

The tangible property tax assessments were levied as of January 1, 1997. Property taxes are billed to finance governmental services. Liens are effective when the tax bills become delinquent. The collection period for these assessments was January 27, 1999 through July 27, 1999.

Note 4. Interest Income

The Leslie County Sheriff earned \$2,815 as interest income on 1997 taxes. The Sheriff owes the school district an additional \$50 and an additional \$97 to the Sheriff's fee account.

Note 5. Unrefundable Duplicate Payments And Unexplained Receipts Should Be Escrowed

Former Sheriff Ford Bowling should deposit any unrefundable duplicate payments and unexplained receipts in an interest-bearing account. According to KRS 393.110, the Sheriff's office should properly report annually to the Treasury Department any unclaimed moneys. After seven years, if the funds have not been claimed, the funds should be submitted to the Kentucky State Treasurer. For the 1996 unmined coal taxes, former Sheriff Bowling had \$961 in unrefundable duplicate payments and unexplained receipts. Therefore, former Sheriff Bowling should send a written report to the Treasury Department. From the information made available to the auditors, it appears that former Sheriff Bowling has not deposited the \$961 unrefundable duplicate payments and unexplained receipts into an escrow account.

COMMENT AND RECOMMENDATION

LESLIE COUNTY
JAMES F. DAVIDSON, SHERIFF
COMMENT AND RECOMMENDATION

July 27, 1999

STATE LAWS AND REGULATIONS:

1. The Sheriff Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral And Enter Into A Written Agreement To Protect Deposits

On March 5, 1999, \$1,773,224 of the Sheriff's deposits of public funds were uninsured and unsecured. According to KRS 66.480(1)(d) and KRS 41.240(4), financial institutions maintaining deposits of public funds are required to pledge securities or provide surety bonds as collateral to secure these deposits if the amounts on deposit exceed the \$100,000 amount of insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC). The Sheriff should require the depository institution to pledge or provide collateral in an amount sufficient to secure deposits of public funds at all times. We also recommend the Sheriff enter into a written agreement with the depository institution to secure the Sheriff's interest in the collateral pledged or provided by the depository institution. According to federal law, 12 U.S.C.A. § 1823(e), this agreement, in order to be recognized as valid by the FDIC, should be (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

County Sheriff James F. Davidson's Response:

We made a written agreement in February 1999 and I assumed the bank had it on record. We discussed raising the pledge on different occasions. I will resolve this issue with bank.

Auditor's Reply:

Sheriff Davidson provided us with a copy of a written agreement. However, that agreement was dated March 31, 2000.

PRIOR YEAR:

We have noted uncorrected prior year issues that relate to Former Sheriff Ford Bowling in appendices A, B, and C.

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REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Onzie Sizemore, Leslie County Judge/Executive
Honorable James F. Davidson, Leslie County Sheriff
Members of the Leslie County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards

We have audited the Leslie County Sheriff's Settlement - 1997 Taxes and 1997 Unmined Coal Taxes as of July 27, 1999. We have issued our report thereon dated May 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying comment and recommendation.

- The Sheriff Should Require The Depository Institution To Pledge Or Provide Sufficient Collateral And Enter Into A Written Agreement To Protect Deposits

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Leslie County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Onzie Sizemore, Leslie County Judge/Executive
Honorable James F. Davidson, Leslie County Sheriff
Members of the Leslie County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
May 30, 2000

FORMER SHERIFF FORD BOWLING
CUMULATIVE DEFICIT STATEMENT

Appendix A

LESLIE COUNTY
FORMER SHERIFF FORD BOWLING
CUMULATIVE DEFICIT STATEMENT

Former Sheriff Ford Bowling Has A Cumulative Deficit Of \$148,592 In His Property Tax Account

Based upon an examination of available records, Former Sheriff Bowling has a cumulative deficit of \$148,592 in his property tax account as of January 8, 1999. The cumulative deficit includes deficits of prior years, which were reported in the former Sheriff's audits for 1985, 1986, 1987, 1989, 1990, 1991, 1992, 1993, 1994, 1995, and 1996 tax years and which have never been fully repaid. The following schedule summarizes the Sheriff's cumulative deficit in his property tax account.

Assets

Cash in Bank		\$	303
Receivables:			
1996 Taxes-			
State Overpayment	\$	629	
County Overpayment		109	
Library Overpayment		46	
Commissions Due Back From Fee Account		4,591	
1995 Taxes-			
School District Overpayment		52	
1994 Taxes-			
County Overpayment		127	
1992 Taxes-			
State Overpayment		3,212	
1991 Taxes-			
County Overpayment		171	
1990 Taxes-			
Forestry District Overpayment		111	
City of Hyden Overpayment		13	
1987 Taxes-			
Health District Overpayment		166	
Forestry District Overpayment		11	
1991 Interest-			
School District Overpayment		485	
Fee Account Overpayment		2,395	12,118
			<hr/>
Total Assets		\$	12,421
			<hr/>

Liabilities

Outstanding Checks		\$	309
Unpaid Obligations-			
1996 Taxes-			
School District	\$	720	

LESLIE COUNTY
 FORMER SHERIFF FORD BOWLING
 CUMULATIVE DEFICIT STATEMENT
 (Continued)

Liabilities (Continued)

1996 Taxes-Continued			
Extension District	\$	40	
Soil Conservation District		23	\$ 783
1994 Taxes-			
State	\$	35	
Forestry District		109	
School District		8,600	
Library District		1,319	
Health		846	
Extension District		1,524	
Soil Conservation District		173	
City of Hyden		324	12,930
1993 Taxes-			
State	\$	3,185	
County		1,959	
Garbage District		864	
School District		3,439	
Library District		639	
Health District		502	
Extension District		596	
Soil Conservation District		91	11,275
1992 Taxes-			
County District	\$	2,231	
Garbage District		1,666	
School District		6,644	
Library District		915	
Health District		545	
Extension District		648	
Soil Conservation District		422	
City of Hyden		236	13,307
1991 Taxes-			
Garbage District	\$	2,750	
School District		1,896	
Library District		2,158	
Health District		247	
Extension District		246	
Soil Conservation District		293	
City of Hyden		185	7,775
1990 Taxes-			
County	\$	3,343	
Garbage District		1,733	
School District		7,497	

LESLIE COUNTY
 FORMER SHERIFF FORD BOWLING
 CUMULATIVE DEFICIT STATEMENT
 (Continued)

Liabilities (Continued)

1990 Taxes-Continued			
Library District	\$	1,397	
Health		946	
Extension District		986	
Soil Conservation District		185	\$ 16,087
1987 Taxes-			
County	\$	1,477	
Garbage District		582	
School District		12,327	
Library District		1,409	
Extension District		2,196	
Soil Conservation District		1,148	
City of Hyden		274	19,413
1986 Taxes-			
School District	\$	2,000	
Extension District		802	2,802
1985 Taxes-			
School District			16,990

Other Unpaid Obligations:

Interest Due School For Tax Years-			
1996	\$	1,528	
1995		1,305	
1994		2,244	
1993		2,277	
1992		1,498	
1990		2,059	
1988		1,707	
1987		430	13,048
Interest Due Fee Account For Tax Years-			
1996	\$	2,375	
1995		2,180	
1994		3,600	
1993		3,944	
1992		2,527	
1990		3,497	
1988		3,850	21,973

LESLIE COUNTY
 FORMER SHERIFF FORD BOWLING
 CUMULATIVE DEFICIT STATEMENT
 (Continued)

Other Unpaid Obligations: (Continued)

Advertising Costs Due County For Tax Years-

1996	\$	480	
1995		642	
1994		225	
1993		225	
1992		198	
1991		468	
1990		336	
1988		252	
1987		258	
1986		186	
1985		514	\$ 3,784

Sheriff's Fees Due Fee Account For Tax Years-

1996	\$	160	
1995		214	
1994		75	
1993		75	
1992		66	
1991		156	
1990		112	
1988		85	943

Tax Commissions Due Fee Account For Tax Years-

1995	\$	545	
1994		10,308	
1993		1,744	
1992		1,139	
1991		2,931	
1990		1,792	
1988		1,135	19,594

Total Liabilities and Outstanding Checks

\$ 161,013

Total Deficit as of January 8, 1999

\$ (148,592)

LESLIE COUNTY
FORMER SHERIFF FORD BOWLING
CUMULATIVE DEFICIT STATEMENT
(Continued)

We recommend former Sheriff Ford Bowling deposit personal funds of \$148,592 to his property tax account in order to eliminate the \$148,592 cumulative deficit. In addition, we recommend that former Sheriff Bowling settle with taxing districts for all property taxes owed and refunds due as reflected in the above schedule. This matter has been referred to the Attorney General's office and the Kentucky State Police for further action as warranted.

We note the fiscal court's responsibility under KRS 64.820(2) to collect amounts due the county from the former Sheriff. In the event the fiscal court cannot collect the amount due from the former Sheriff without suit, the fiscal court shall then direct the county attorney to institute suit for collection of the amount reported by the auditor or certified public accountant to be due the county within ninety days from the date of receiving the auditor's or certified public accountant's report.

On February 28, 1996, a civil action was filed by the Leslie County Fiscal Court against former Sheriff Bowling. The civil action asks for a judgment that the appropriate amount of tax money, advertising costs, and interest and fees due and owing be paid to each taxing district and that excess fees due Leslie County Fiscal Court be paid. Since that time, our audits have revealed additional amounts due. We recommend the fiscal court take action to resolve additional deficits as reported in our audits.

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FORMER SHERIFF FORD BOWLING
SCHEDULE OF UNMINED COAL REFUNDS AND TAXES OWED

Appendix B

LESLIE COUNTY
FORMER SHERIFF FORD BOWLING
SCHEDULE OF UNMINED COAL REFUNDS AND TAXES OWED

Former Sheriff Ford Bowling Should Settle With Taxing Districts For All Unmined Coal Taxes Owed and Refunds Due

Former Sheriff Bowling maintained a separate bank account to deposit and disburse his unmined coal tax transactions. It was determined that the former Sheriff owes or is due refunds from the following districts for 1989, 1990, 1991, 1992, 1993, 1994, 1995, and 1996 unmined coal taxes:

District	1989	1990	1991	1992	1993
State	\$	\$	\$ 298	\$	\$
County	2,384	54		(253)	(501)
School District	1,441	27		(724)	(1,357)
Garbage District	1,382	142		(121)	(241)
Library District	26	16		(76)	(155)
Health District	138	14		(63)	(127)
Extension District	153	15		(74)	(146)
Soil Conservation District	34	3		(12)	(25)
Totals	<u>\$ 5,558</u>	<u>\$ 271</u>	<u>\$ 298</u>	<u>\$ (1,323)</u>	<u>\$ (2,552)</u>

District	1994	1995	1996	Totals
State	\$	\$ (382)	\$ 139	\$ 55
County		(1)	346	2,029
School District	(135)	(3)	42	(709)
Garbage District			68	1,230
Library District			42	(147)
Health District			36	(2)
Extension District			40	(12)
Soil Conservation District			8	8
Totals	<u>\$ (135)</u>	<u>\$ (386)</u>	<u>\$ 721</u>	<u>\$ 2,452</u>

The cumulative total of unmined coal taxes for these years is \$2,452. We recommend the former Sheriff pay total amounts due the taxing districts and obtain refunds due. If the recommended settlements are not made, we recommend the taxing districts pursue legal recourse to collect from the former Sheriff all amounts due as determined by our audits.

We note the fiscal court's responsibility under KRS 64.820(2) to collect amounts due the county from the former Sheriff. In the event the fiscal court cannot collect the amount due from the former Sheriff without suit, the fiscal court shall then direct the county attorney to institute suit for collection of the amount reported by the auditor or certified public accountant to be due the county within ninety days from the date of receiving the auditor's or certified public accountant's report.

LESLIE COUNTY
FORMER SHERIFF FORD BOWLING
SCHEDULE OF UNMINED COAL REFUNDS AND TAXES OWED
(Continued)

On February 28, 1996, a civil action was filed by the Leslie County Fiscal Court against former Sheriff Bowling. The civil action asks for a judgment that the appropriate amount of tax money, advertising costs, and interest and fees due and owing be paid to each taxing district and that excess fees due Leslie County Fiscal Court be paid. Since that time, our audits have revealed additional amounts due. We recommend the fiscal court take action to resolve additional deficits as reported in our audits.

FORMER SHERIFF FORD BOWLING
CRIMINAL INDICTMENT AND CIVIL ACTION

Appendix C

LESLIE COUNTY
FORMER SHERIFF FORD BOWLING
CRIMINAL INDICTMENT AND CIVIL ACTION

On October 4, 1995, a three count indictment (95-CR-00056) was returned by the Leslie County Grand Jury charging former Sheriff Bowling with failing to properly account for and disburse tax money collected by his office. The indictment was dismissed without prejudice on January 26, 1998. On February 28, 1996, a civil action (96-CI-00043) was filed by the Leslie County Fiscal Court and other taxing districts against former Sheriff Bowling and his bonding companies. The civil action asks for a judgment that the appropriate amount of tax money, advertising costs, and interest and fees due and owing be paid to each taxing district and that excess fees due Leslie County Fiscal Court be paid. No court date has been set.

